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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

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8 *Ex parte* MICHAEL R. LEVINE
9

10 Appeal 2007-2595
11 Application 09/812,639
12 Technology Center 3600
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14

15 Decided: February 15, 2008
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19 Before WILLIAM F. PATE, III, HUBERT C. LORIN, and
20 ANTON W. FETTING, *Administrative Patent Judges*.
21 FETTING, *Administrative Patent Judge*.

22 DECISION ON APPEAL
23

24 STATEMENT OF CASE

25 Michael R. Levine (Appellant) seeks review under 35 U.S.C. § 134 of a final
26 rejection of claims 2, 3, and 5-12, the only claims pending in the application on
27 appeal.

28 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

29 We AFFIRM.
30

31 The Appellant invented a method of payment for a healthcare service
32 (Specification 1:6-7).

1 An understanding of the invention can be derived from a reading of exemplary
2 claim 5, which is reproduced below [bracketed matter and some paragraphing
3 added].

4 5. A method of payment for a healthcare service, said method
5 comprising the steps of:

6 [1] contracting

7 between a healthcare provider and an intermediary
8 for the healthcare provider
9 to perform services

10 for a healthcare user contracting with the
11 intermediary and

12 receive a fee

13 for such services

14 discounted relative to fees charged by the
15 healthcare provider to other parties;

16 [2] contracting

17 between a healthcare user and the intermediary
18 for the healthcare user to pay the healthcare provider
19 when the healthcare service is performed

20 with a healthcare credit card issued by the
21 intermediary;

22 [3] receiving

23 by the healthcare user
24 a healthcare service from the healthcare provider;

25 [4] the healthcare user charging

26 the discounted fee
27 for the healthcare service
28 using the healthcare credit card;

[5] subsequently paying
the healthcare provider
by the intermediary
according to the contract between the healthcare provider and
the intermediary
for the healthcare service charged to the healthcare credit card;
and

[6] subsequently paying
the intermediary
by the healthcare user
according to the contract between the healthcare user and the
intermediary.

This appeal arises from the Examiner's Final Rejection, mailed March 21,
2006. The Appellant filed an Appeal Brief in support of the appeal on August 1,
2006. An Examiner's Answer to the Appeal Brief was mailed on September 15,
2006. The Appellants presented oral arguments at a hearing on January 23, 2008.

PRIOR ART

The Examiner relies upon the following prior art:

Volz, David, "Alternative care; Membership network offers uninsured a choice,"
Modern Physician, August 1999, pp. 40.

Anonymous, (Health Care), "The issuers of health-care cards sense an era of
healthy growth," Credit Card News, Chicago, IL, 6/15/1994, p.5

Anonymous, (Simple Care), "Information Available at the website of SimpleCare,"
presumably www.simplecare.com on 9/27/1999

Anonymous, (M&T), "M&T Bank NA launches its 5th cobranded credit card and
3rd supermarket card in 10 months," Card Fax, Vol. 96, No. 27, p.2, February 12,
1996, from Dialog File 9

REJECTION

Claims 2, 3, and 5-12 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Volz, Health Care, Simple Care, and M&T.

ISSUES

The issue pertinent to this appeal is whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 2, 3, and 5-12 under 35 U.S.C. § 103(a) as unpatentable over Volz, Health Care, Simple Care, and M&T.

The pertinent issue turns on whether it was obvious to combine a healthcare credit card with a network of healthcare providers offering discounted services, and whether such a combination would have yielded the claimed subject matter.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are supported by a preponderance of the evidence.

Volz

01. Volz is directed toward a healthcare provider network (North America Care or NAC) that, for a monthly fee, entitles members to discounted fee-for-service rates from any physician in the network (Volz, left column, second ¶).¹

¹ The copy of Volz provided in the record is a two column article, split into two pages. The left hand column on the first page flows into the left hand column of the second page. The same flow holds for the right hand column.

02. Volz acts as an intermediary between healthcare users and providers and contracts with each so that users receive discounted services when using the NAC network (Volz, left column, second ¶).

03. NAC pays the provider subsequent to receiving care (Volz, right column, fourth ¶).

HealthCare

04. HealthCare is directed toward health-care cards that are signing up ever increasing numbers of doctors and dentists as merchants that allow patients to finance service payments (HealthCare: Abstract).

05. Thus, the healthcare user uses a credit card issued by an intermediary to pay the healthcare provider by charging the amount for service to the card and paying the intermediary subsequent to receiving service.

06. Although HealthCare generally refers to providers paying discount fees to the intermediary rather than offering discount rates to the user, HealthCare describes one intermediary signing up providers who will offer discount rates to the users (HealthCare 3:Top ¶).

SimpleCare

07. SimpleCare is directed toward a program that provides a format for patients without current health care insurance to access health care providers that provide a service at a fee that takes out the administrative costs estimated at about 30% and directly passes this savings on to the consumer (SimpleCare 1:Bottom ¶).

08. SimpleCare allows healthcare users to finance their healthcare services by paying with a credit card (SimpleCare 2:SimpleCare is about value)

09. SimpleCare portrays a web site 1) providing the healthcare user access to a website hosted by the intermediary on a computer network; 2) identifying the healthcare user accessing the healthcare website; 3) providing the identified healthcare user access to a web page containing healthcare providers contracting with the intermediary; and 4) selecting by the healthcare user a healthcare provider from the contracting healthcare providers (SimpleCare 6-9).

10. The Appellant does not contend that SimpleCare fails to describe these elements.

M&T

11. M&T is directed toward describing a credit card that provides discounts in the form of rebates on all goods and services charged to the card.

PRINCIPLES OF LAW

Claim Construction

During examination of a patent application, pending claims are given their broadest reasonable construction consistent with the Specification.

In re Prater, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364, (Fed. Cir. 2004).

Limitations appearing in the Specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed.

Cir. 2003) (claims must be interpreted “in view of the specification” without importing limitations from the Specification into the claims unnecessarily)

Although a patent applicant is entitled to be his or her own lexicographer of patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the Specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses to give terms uncommon meanings, the inventor must set out any uncommon definition in some manner within the patent disclosure so as to give one of ordinary skill in the art notice of the change).

Obviousness

A claimed invention is unpatentable if the differences between it and the prior art are “such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.” 35 U.S.C. § 103(a) (2000); *KSR Int’l v. Teleflex Inc.*, 127 S.Ct. 1727 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: “[(1)] the scope and content of the prior art are to be determined; [(2)] differences between the prior art and the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved.” 383 U.S. at 17. *See also KSR Int’l v. Teleflex Inc.*, 127 S.Ct. at 1734. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, at 1739.

1 “When a work is available in one field of endeavor, design incentives and
2 other market forces can prompt variations of it, either in the same field or in a
3 different one. If a person of ordinary skill in the art can implement a predictable
4 variation, § 103 likely bars its patentability.” *Id.* at 1740.

5 “For the same reason, if a technique has been used to improve one device,
6 and a person of ordinary skill in the art would recognize that it would improve
7 similar devices in the same way, using the technique is obvious unless its actual
8 application is beyond his or her skill.” *Id.*

9 “Under the correct analysis, any need or problem known in the field of
10 endeavor at the time of invention and addressed by the patent can provide a reason
11 for combining the elements in the manner claimed.” *Id.* at 1742.

12 ANALYSIS

13 *Claims 2, 3, and 5-12 rejected under 35 U.S.C. § 103(a) as unpatentable over*
14 *Volz, Health Care, Simple Care, and M&T.*

15 The Appellant argues these claims as a group.

16 Accordingly, we select claim 5 as representative of the group.
17 37 C.F.R. § 41.37(c)(1)(vii) (2006).

18 The Examiner found that Volz described limitations [1], [2], [3], and [5],
19 except for the use of a card. To make up for this deficiency, the Examiner further
20 found that HealthCare described the use of a card for healthcare services that might
21 be discounted, allowing the healthcare user to finance the costs on the card and pay
22 subsequently as in limitations [4] and [6]. The Examiner also found that
23 SimpleCare provides a service similar to Volz, but also describes allowing a user

1 to charge to a credit card, and that M&T describes a credit card that provides
2 discounts for its use (Answer 4-6).

3 The Appellant contends that (1) Volz requires the healthcare user to fully pay
4 for the services before they are performed, so there is no financing of the services
5 (Br. 5:First full ¶ – 6:Top ¶); (2) Volz requires an estimate of the cost of the service
6 and payment of the full value of the estimate before the services are performed (Br.
7 6:First full ¶); (3)Volz does not have the healthcare provider extend credit for the
8 service provided to the healthcare user (Br. 6:Second full ¶) ; (4) there appears to
9 be no contract between the intermediary and the healthcare providers in Healthcare
10 for a discounted fee relative to the fees charged to others (Br. 6:Bottom ¶); and (5)
11 Volz and HealthCare are totally incompatible with one another and there is no
12 suggestion in the references of combining their features (Br. 7:First ¶).

13 *(1) Volz requires the healthcare user to fully pay for the services before they are*
14 *performed, so there is no financing of the services*

15 The Examiner is not relying on Volz to describe financing of services. One
16 cannot show nonobviousness by attacking references individually where the
17 rejections are based on combinations of references. *In re Keller*, 642 F.2d 413, 426
18 (CCPA 1981).

19 We find that both HealthCare and SimpleCare describe financing of healthcare
20 services (FF 04, 05, & 08). Both also describe discounts for using their network
21 (FF 06 & 07).

22 *(2) Volz requires an estimate of the cost of the service and payment of the full*
23 *value of the estimate before the services are performed*

24 The Examiner is not relying on Volz to describe financing of services.
25 Whether Volz requires an estimate is irrelevant since the claim does not require the
26 absence of an estimate. The Appellant has not contended that this is evidence for

secondary considerations. Again, as we found *supra*, both HealthCare and SimpleCare describe financing of healthcare services.

(3) Volz does not have the healthcare provider extend credit for the service provided to the healthcare user

The Examiner is not relying on Volz to describe extending credit to the user for services. However, Volz does describe extending credit for services, to the intermediary, until paid by the intermediary subsequent to service (FF 03). The Examiner is not relying on Volz to describe financing of services. Again, as we found *supra*, both HealthCare and SimpleCare describe financing of healthcare services.

(4) there appears to be no contract between the intermediary and the healthcare providers in Healthcare for a discounted fee relative to the fees charged to others

Although HealthCare generally refers to providers paying discount fees to the intermediary rather than offering discount rates to the user, HealthCare describes one intermediary signing up providers who will offer discount rates to the users (FF 06). Both Volz and SimpleCare describe offering discounted fees relative to fees charged to others outside their network (FF 01, 02, & 07). Each of Volz, HealthCare, and SimpleCare describe the providers as being in the intermediary's network, which implies an agreement by both the intermediary and provider, and thus a contract. Although M&T is not restricted to healthcare services, it does describe having a discount offered for services charged using its card (FF 11).

(5) Volz and HealthCare are totally incompatible with one another and there is no suggestion in the references of combining their features

"The test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference.... Rather,

the test is what the combined teachings of those references would have suggested to those of ordinary skill in the art." *In re Keller*, 642 F.2d 413, 425 (CCPA 1981).

SimpleCare demonstrates that Volz and HealthCare could be combined by simply providing HealthCare's card as a payment mechanism at Volz's time of payment (FF 08).

As to the suggestion to combine Volz and HealthCare, "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *KSR*, 127 S. Ct. at 1739.

The obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation, or by overemphasis on the importance of published articles and the explicit content of issued patents. The diversity of inventive pursuits and of modern technology counsels against limiting the analysis in this way. In many fields it may be that there is little discussion of obvious techniques or combinations, and it often may be the case that market demand, rather than scientific literature, will drive design trends.

id. at 1741. Further, SimpleCare's description of using a credit card at the time of payment would have suggested combining HealthCare's credit card with Volz's healthcare discount network.

Other Arguments

The Appellant further argues that neither Volz nor HealthCare explicitly disclose the following features of the claims: 1) providing the healthcare user access to a website hosted by the intermediary on a computer network; 2) identifying the healthcare user accessing the healthcare website; 3) providing the identified healthcare user access to a web page containing healthcare providers contracting with the intermediary; and 4) selecting by the healthcare user a

healthcare provider from the contracting healthcare providers (Br. 7:Second ¶ - 8:Top ¶).

These limitations do not appear in claim 5. These limitations appear in claim 9, which the Appellant has not clearly argued separately. However, as the Appellant indicated in oral argument, this may be only because the Examiner did not clearly separate the findings between claims 5 and 9. Therefore, we will address this argument.

We find that the Appellant does not argue that SimpleCare does not describe these elements (FF 10), as found by the Examiner, but only that SimpleCare does not appear to be an intermediary who will pay the provider (Br. 8:Top ¶).

We first find that the Examiner was correct that SimpleCare describes these limitations (FF 09). We next find that although SimpleCare does not itself act as a financing intermediary, it does act as an intermediary for bringing providers and users together at discounted rates and allows another credit card provider to provide the financing. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR* at 1739. Thus, SimpleCare suggests combining a healthcare provider network offering discounted services with a financial intermediary.

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claims 2, 3, and 5-12 under 35 U.S.C. § 103(a) as unpatentable over Volz, Health Care, Simple Care, and M&T.

CONCLUSIONS OF LAW

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claims 2, 3, and 5-12 under 35 U.S.C. § 103(a) as unpatentable over the prior art.

On this record, the Appellant is not entitled to a patent containing claims 2, 3, and 5-12.

DECISION

To summarize, our decision is as follows:

- The rejection of claims 2, 3, and 5-12 under 35 U.S.C. § 103(a) as unpatentable over Volz, Health Care, Simple Care, and M&T is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

jlb

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